



June 3, 2015

Fr. Malachi Van Tassell, T.O.R., Ph.D.  
President  
St. Francis University  
110 Franciscan Way  
Loretto, PA 15940-0600

**UPS Tracking #:**  
1ZA879640290174065

**RE: Final Program Review Determination Letter**  
**OPE ID: 00336600**  
**PRCN: 201430328623**

Dear Father Van Tassell:

The U.S. Department of Education's (Department's) School Participation Division - Philadelphia issued a program review report on August 22, 2014 covering St. Francis University's (St. Francis') administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2012-2013 and 2013-2014. St. Francis' final response was received on October 14, 2014. A copy of the program review report (and related attachments) and St. Francis' response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by St. Francis upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

**Purpose:**

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal, (4) close the review, and (5) notify St. Francis of a possible adverse action.

Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal.

**Federal Student Aid**

An OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division - Philadelphia  
100 Penn Square East, Suite 511 | Philadelphia, PA 19107  
StudentAid.gov

This FPRD contains one or more findings regarding St. Francis' failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) in Section 485(f) of the HEA, 20 U.S.C. §1092(f), and the Department's regulations at 34 C.F.R. §§668.41, 668.46, and 668.49. Because Clery Act findings do not result in financial liabilities, such findings may not be appealed. If an adverse administrative action is initiated, additional information about St. Francis' appeal rights will be provided under separate cover.

Separate from any AAASG action, the total liabilities due from the institution from this program review are \$10,699.94. This final program review determination contains detailed information about the liability determination for all findings.

**Protection of Personally Identifiable Information (PII):**

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report does not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. The appendix was encrypted and sent separately to the institution via e-mail.

**Appeal Procedures:**

This constitutes the Department's FPRD with respect to the liabilities identified from the August 22, 2014 program review report. If St. Francis wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date St. Francis receives this FPRD. An original and four copies of the information St. Francis submits must be attached to the request. The request for an appeal must be sent to:

Director  
Administrative Actions and Appeals Service Group  
U.S. Department of Education  
Federal Student Aid/PC  
830 First Street, NE - UCP3, Room 84F2  
Washington, DC 20002-8019

St. Francis' appeal request must:

- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (3) include all documentation it believes the Department should consider in support of the appeal. An institution may provide detailed liability information from a

complete file review to appeal a projected liability amount. Any documents relative to the appeal that include PII data must be redacted except the student's name and last four digits of his / her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail "hard copy" records containing PII); and

- (4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to St. Francis' appeal will be those provided in 34 C.F.R. Part 668, Subpart H. **Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).**

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Diane Sarsfield at 215.656.6459. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Nancy Paula Gifford  
Division Director

Enclosures: Final Program Review Determination Letter

cc: Mr. Jamie Kosh, Financial Aid Administrator  
Middle States Association of Higher Education  
PA Department of Education  
Department of Defense  
Department of Veterans Affairs  
Consumer Financial Protection Bureau

Prepared for  
**Saint Francis University**

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OPE ID: 00336600  
PRCN: 201430328623

Prepared by  
**U.S. Department of Education**  
Federal Student Aid  
School Participation Division - Philadelphia

## Final Program Review Determination Letter June 3, 2015

School Participation Division - Philadelphia  
The Wanamaker Building, 100 Penn Square East, Suite 511  
Philadelphia, PA 19107  
[StudentAid.gov](http://StudentAid.gov)

## Contents

A. Institutional Information .....	1
B. Scope of Review.....	2
C. Findings and Final Determinations .....	2
Resolved Findings: .....	2
Finding # 4: Failure to Identify Federal Funds to Bank.....	2
Finding # 5: Failure to Conduct and Document Entrance Loan Counseling .....	2
Findings with Final Determinations: .....	2
Finding # 1: Improper Disbursement of Title IV Funds to Students at Additional Locations Not Reported to the Department .....	3
Finding # 2: Inaccurate Enrollment Reporting to NSLDS.....	4
Finding # 3: Inaccurate Reporting to Common Origination and Disbursement (COD) System .....	6
Finding # 6: Crime Awareness Requirements Not Met – Required Policy Disclosures and Statistics Omitted from Annual Security Report (ASR) .....	7
Finding # 7: Drug and Alcohol Abuse Prevention Program Requirements Not Met .....	12
D. Summary of Liabilities.....	14
E. Payment Instructions .....	14
F. Appendices .....	15
Appendix A: Student Sample	
Appendix B: Program Review Report	
Appendix C: St. Francis' Written Response to the Program Review Report	
Appendix D: Estimated Loss Calculation for Finding # 1	



**A. Institutional Information**

Saint Francis University  
110 Franciscan Way  
Loretto, PA 15940-0600

**Type:** Private

**Highest Level of Offering:** Master's Degree or Doctor's Degree

**Accrediting Agency:** Middle States Commission on Higher Education (MSCHE)

2012-2013 Student Enrollment and % Receiving Title IV:

- Undergraduates: 1789 total enrollment with 65.287% receiving Title IV aid
- Graduates: 2483 total enrollment with 10.712% receiving Title IV aid

**Title IV Participation:** (as of June 2014)

<b>Title IV Program</b>	<b>2012-2013</b>
Federal Pell Grant	\$1,923,566.00
Federal Direct Loans	\$25,138,193.00
Federal Perkins Loans	\$179,800.00
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$174,739.00
Federal Work Study	\$315,513.00
<b>Total:</b>	<b>\$27,731,801.00</b>

**Cohort Default Rates: 3-Year Rates**

	<b>FFEL/DL Program</b>	<b>Perkins Loan Program</b>
<b>2011</b>	4.8%	22.7%
<b>2010</b>	4.7%	24.6%
<b>2009</b>	4.6%	17.1%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at Saint Francis University (St. Francis) from June 2, 2014 to June 6, 2014. The review was conducted by Ms. Heidi Kovalick and Ms. Diane Sarsfield.

The focus of the review was to determine St. Francis' compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of St. Francis' policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2012-2013 and 2013-2014 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning St. Francis' specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve St. Francis' of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

## **C. Findings and Final Determinations**

### **Resolved Findings:**

**Finding #4: Failure to Identify Federal Funds to Bank**

**Finding #5: Failure to Conduct and Document Entrance Loan Counseling**

Saint Francis has taken the corrective action necessary to resolve Findings # 4 and # 5 of the program review report. Therefore, these findings are considered closed. The institution's response concerning these finding are included in Appendix C.

### **Findings with Final Determinations:**

The program review findings requiring further action are summarized below. At the conclusion of the finding is a summary of Saint Francis' response to the finding, and the Department's final determination for that finding. A copy of the program review report issued on August 22, 2014 is attached as Appendix A.

**Finding # 1: Improper Disbursement of Title IV Funds to Students at Additional Locations Not Reported to the Department**

**Citation Summary:** An institution that wishes to establish its eligibility to participate in any Title IV, HEA program must submit an application to the Secretary, as well as documentation of state licensure and accreditation, to enable the Secretary to determine if the institution satisfies all certification requirements. 34 C.F.R. § 600.20(a). Once the Secretary receives and approves such an application, the Secretary notifies the institution of its eligibility and of the locations and educational programs that qualify as eligible. 34 C.F.R. § 600.20(e).

This eligibility does not extend to any location that an institution establishes after it receives its eligibility designation if the institution plans to offer at least 50 percent of an educational program at that location. 34 C.F.R. § 600.10(b)(3). In order for this location to become eligible, the institution must obtain state licensure and accreditation and report the establishment of the location to the Secretary within 10 days. 34 C.F.R. § 600.21(a)(3). An institution's failure to inform the Secretary of a change described in 34 C.F.R. § 600.21(a) within the 10 days may result in adverse action against the institution. 34 C.F.R. § 600.21(e).

The institution may not disburse Title IV funds to students at a location before it notifies the Secretary of the existence of the location. Once the institution reports the location to the Secretary, it may disburse Title IV funds to otherwise eligible students, provided the location is licensed and accredited. 34 C.F.R. § 600.21(d).

**Noncompliance Summary:** St. Francis improperly disbursed Title IV funds to graduate students attending classes at nine additional locations that were not reported to the Department.

**Required Action Summary:** St. Francis was required to update the Department of Education with information on the additional locations.

In addition, St. Francis was required to complete a file review to identify all Title IV funds disbursed to students who attended classes at the nine locations from the date the location was approved by MSCHE through St. Francis' notification to the Department on June 17, 2014. St. Francis was to compile the results of this review in a spreadsheet and submit the spreadsheet in both hardcopy and electronic formats with its response to the program review report.

Additionally, St. Francis was required to review and update its policies and procedures to ensure that all future changes to its application are reported to the Department within the regulatory timeframe. St. Francis was to submit a copy of its updated policies and procedures with its response to the program review report.

**St. Francis' Response Summary:** In its October 14, 2014 response to the program review, St. Francis stated that the Department had approved the nine additional locations on August 8, 2014.

The institution submitted the results of its file review which identified all Title IV funds disbursed to students who attended classes at the nine additional locations. The spreadsheet



submitted by St. Francis listed each location and identified the Title IV funds disbursed to students from the date that each location was approved by MSCHE through June 17, 2014.

St. Francis also submitted updated policies and procedures which stated that the responsibility for updating the Department is now shared between the St. Francis University MSCHE Accreditation Liaison Officer and the Director of Financial Aid. The updated policies and procedures are intended to ensure proper oversight and communication regarding the establishment of additional locations, as well as the approval of the additional locations.

**Final Determination:** The Department reviewed the results of the file review and the supporting documentation that St. Francis submitted in response to this finding. The institution's file review identified that Title IV funds totaling \$782,118.00 were improperly disbursed to students enrolled in graduate level courses at the nine locations prior to the Department's approval of the sites. The chart below summarizes the Title IV funds improperly disbursed to students at each of the locations.

Location	Subsidized Loans	Unsubsidized Loans	Graduate PLUS Loans
Bedford County Technical Center	\$20,100.00	\$18,000.00	
Bellwood Antis High School	\$108,050.00	\$173,750.00	\$17,636.00
Bishop McCort Catholic High School		\$71,750.00	
Joseph and Elizabeth Shaw Public Library	\$20,703.00	\$25,297.00	\$2,516.00
Juniata Valley High School	\$4,250.00	\$6,000.00	
Northern Cambria High School		\$10,250.00	
Somerset Area School District		\$13,000.00	
South Hills School of Business & Technology	\$42,911.00	\$175,453.00	\$23,202.00
Tussey Mountain School District	\$21,250.00	\$24,000.00	\$4,000.00
Totals	\$217,264.00	\$517,500.00	\$47,354.00

In lieu of requiring the institution to assume the risk of default by purchasing the ineligible loan from the holder, the Department has asserted a liability not for the loan amount, but rather for the estimated or potential loss that the government may incur with respect to the ineligible loan or loan amount. The estimated loss to the Department that has resulted or will result from those ineligible loans is based on Saint Francis' most recent 3-year cohort default rates available. The total estimated loss that Saint Francis must pay to the Department for the ineligible loans is \$10,699.94. Copies of the results of those calculations are included in Appendix D.

## **Finding # 2: Inaccurate Enrollment Reporting to NSLDS**

**Citation Summary:** A school shall upon receipt of a Student Status Confirmation report from the Secretary or any guaranty agency, complete and return the report within 30 days of receipt to the Secretary or the guaranty agency as appropriate. A school shall, unless it expects to submit

its next student status confirmation report to the Secretary or the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct Plus Loan has been made to or on behalf of a student who is enrolled at that school but ceased to be enrolled on at least a half-time basis; has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or has changed his or her permanent address. 34 C.F.R. § 685.309(b)

**Noncompliance Summary:** St. Francis reported an inaccurate enrollment status to NSLDS for student #14. The student graduated from the institution on December 12, 2012, but was reported to NSLDS as withdrawn. During the on-site, school officials stated that the institution's policy was to report students who graduated as withdrawn to NSLDS.

**Required Action Summary:** St. Francis was required to update the enrollment status reported to NSLDS for all students who graduated from the institution during the 2012-2013 and 2013-2014 award years. St. Francis was to compile the results of this review in a spreadsheet and submit the spreadsheet in both hardcopy and electronic formats with its response to the program review report.

In addition, St. Francis was required to review its NSLDS reporting policies and procedures and submit a copy of its updated policies and procedures with its response to this program review report.

**St. Francis' Response Summary:** In its October 14, 2014 response to the program review report, St. Francis explained that the institution's practice was to remove graduated students from the periodic submission reports to NSLDS. St. Francis suggested it was possible that NSLDS made assumptions that these students had withdrawn.

The institution submitted the results of its file review which identified all students who graduated from the institution during the 2012-2013 and 2013-2014 award years. St. Francis' file review identified inaccurate enrollment status had been reported for 1,355 students. St. Francis stated that it updated the enrollment status reported to NSLDS.

St. Francis also submitted updated policies and procedures which stated that the institution will add two special data file submissions annually to the NSLDS covering students that have graduated. The "Graduate Only Submission" will occur once in the last week of August to include May and Summer graduates, and once in the first week of January to capture students who graduated in December.

**Final Determination:** The Department reviewed the results of the file review St. Francis submitted in response to this finding. The Department verified that the enrollment status for student # 14 was corrected in NSLDS. In addition, a sample of 50 students identified with errors in the file review was examined and the Department did not find any discrepancies with the updated information reported in NSLDS.

St. Francis must follow its revised procedures to ensure that accurate enrollment information is reported to NSLDS.

**Finding # 3: Inaccurate Reporting to Common Origination and Disbursement (COD) System**

**Citation Summary:** An institution makes a disbursement of Title IV, HEA program funds on the date that the institution credits a student's account at the institution or pays a student or parent directly with: funds received from the Secretary; funds received from a lender under the FFEL Programs; or institutional funds used in advance of receiving Title IV, HEA program funds. 34 C.F.R. § 668.164(a)(1).

An institution shall report to the Secretary any change in the amount of a Federal Pell Grant for which a student qualifies including any related payment data changes by submitting to the Secretary the student's payment data that discloses the basis and result of the change in award for each student. The institution shall submit the student's payment data reporting any change to the Secretary by the reporting deadlines published by the Secretary in the Federal Register. 34 C.F.R. § 690.83(b)(1).

An institution must submit the initial disbursement record for a Direct Loan to the Secretary no later than 30 days following the date of the initial disbursement. The institution must submit subsequent disbursement records, including adjustment and cancellation records, to the Secretary no later than 30 days following the date the disbursement, adjustment or cancellation is made. 34 C.F.R. § 685.301(e). An institution reports this information to the Secretary through COD.

The Federal Register published February 28, 2013 established reporting deadlines to the Common Origination and Disbursement System (COD) for Federal Pell Grant and Direct Loan disbursement. Institutions are required to report disbursement information and adjustments to previously reported disbursement data to COD no later than (1) 30 calendar days for disbursements that occurred prior to April 1, 2013, and (2) 15 calendar days for disbursements that occur on or after April 1, 2013. (Federal Register Volume 78, Number 40).

The institution must report the date the funds were made available to the student. The disbursement date must be reported as the date the funds were disbursed to the borrower by posting funds to the student's account at the school or paying the borrower directly. (*November 2010 Electronic Announcement: Direct Loan Processing Information – Making Disbursement Adjustments and Reducing Direct Loan Awards to Zero.*)

To emphasize the critical nature of accurate reporting, the Department issued another electronic announcement, *January 29, 2014 Electronic Announcement: Direct Loan Processing Information - Accurately Reporting Direct Loan Disbursement Dates*. This letter re-iterated that schools must report the *actual* disbursement date for a Direct Loan.

**Noncompliance Summary:** St. Francis reported inaccurate disbursement dates in COD for Federal Pell Grant and Direct Loan funds disbursed to 16 of the 30 students in the sample. The

disbursement dates reported in COD differed from the dates the Federal funds were actually posted to the students' account. The difference in the disbursement dates range from 1 to 119 days.

**Required Action Summary:** St. Francis was required to update COD to record the correct disbursement dates for students # 2, 4, 5, 7, 8, 9, 10, 12, 13, 17, 19, 20, 21, 22, 25, and 26.

St. Francis was also required to conduct a file review of all 2012-2013 and 2013-2014 Title IV recipients to determine whether accurate disbursement dates have been reported to COD and to update any inaccurate disbursement dates that it identified in COD. St. Francis was to compile the results of this review in a spreadsheet and submit the spreadsheet in both hardcopy and electronic formats with its response to the program review report.

In addition, St. Francis was required to review its COD reporting policies and procedures and submit a copy of its updated policies and procedures with its response to this program review report.

**St. Francis' Response Summary:** St. Francis' response to the program review report was dated October 14, 2014. In its response, the institution stated that the Office of Financial Aid updated the COD disbursement dates to reflect actual posting dates for the students identified in the finding.

In addition, St. Francis submitted the results of its file review to determine whether accurate disbursement data was reported in COD for all students. St. Francis stated that all discrepancies in disbursement dates were corrected for Federal Pell Grants and Federal Direct Loans disbursed during both award years.

St. Francis also provided revised procedures to ensure accurate disbursement dates are reported in COD.

**Final Determination:** The Department reviewed the results of the file review St. Francis submitted in response to this finding. The Department verified that the disbursement records in COD had been corrected for the 16 students identified in the finding. In addition, a sample of 50 students identified with errors in the file review was examined and the Department did not find any discrepancies with the updated information reported in COD.

St. Francis must continue to monitor its COD reporting to ensure its revised procedures are adequate for reporting accurate disbursement dates in COD.

#### **Finding # 6: Crime Awareness Requirements Not Met – Required Policy Disclosures and Statistics Omitted from Annual Security Report (ASR)**

**Citation Summary:** The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current



students and employees through appropriate publications and mailing, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in 34 C.F.R. §668.46(b).

The ASR must be prepared and actively distributed as a single document. Acceptable means of distribution include regular U.S. Mail, campus mail, hand delivery, or by posting the ASR on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and a link to its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R. §668.41(e)(1). These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also inform interested parties about how to obtain a paper copy of the ASR. 34 C.F.R. §668.41(e)(4)

An institution's ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assault, burglary, motor vehicle theft, and arson. Statistics for certain hate crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities (as a subset of category # 1); 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. §668.46(c)(1). When applicable, an institution must also compile, and publish separate crime statistic disclosures for each of its campuses. 34 C.F.R. §668.46(d).

The ASR also must include several mandated policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of crime prevention programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the ASR itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. As noted above, the ASR must be published as a single comprehensive document. With the exception of certain drug and alcohol program information, cross referencing to other publications is not sufficient to meet the publication and distribution requirements. §485(f) of the HEA; 34 C.F.R. §668.46(b).

Finally, each institution must also submit its crime statistics to the Department for inclusion in the Office of Postsecondary Education's "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. §668.41(e)(5).



**Noncompliance Summary:** St. Francis failed to include required procedures and policy statements in their published ASR. Specifically, the ASR does not contain a description of the process the institution will use to confirm that there is a significant emergency, determine who to notify, determine the content of the notification, and initiate the emergency notification system. Additionally, the ASR does not contain the institution's procedures to test the emergency response and evacuation procedures.

The University failed to report to the Department, and failed to include statistics in the ASR, crimes occurring at the additional locations where St. Francis students are enrolled.

**Required Action Summary:** As a result of this violation, St. Francis was required to develop and implement policies and procedures that govern the preparation, publication, and distribution of an annual ASR and ensure that all facets of the process are carried out in a manner that meets Federal regulations. Using the policies as a guide, The University was required to prepare and publish an accurate and complete ASR that included all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. §668.46(b). In addition, St. Francis was required to review its Clery geography and provide comment on how the statistics are accounted for all Clery geography and campus locations. A copy of the new and revised policies and procedures and its draft 2014 ASR was to accompany its response to this program review report.

Finally, St. Francis was required to provide documentation to the Department evidencing its annual ASR distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the Clery Act. This certification must also affirm that the University understands all of its Clery Act obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

**Institutional Response Summary:** In its official response, St. Francis concurred with the finding and stated that remedial action was taken as directed in the program review report. In support of their remedial action claims, St. Francis officials submitted a copy of the University's new and revised campus safety policies and procedures including those that govern the production and distribution of the ASR. In addition, St. Francis submitted a sample of the email notification used to transmit the ASR to students and staff.

The University also submitted a copy of the 2013-2014 ASR, updated with the description of the process the institution will use to confirm that there is a significant emergency, determine whom to notify, determine the content of the notification, and initiate the emergency notification system. This ASR also contains the institution's new procedures for testing its emergency response and evacuation procedures.

Finally, St. Francis officials submitted the requested certification attesting the University understands its obligation to comply with the law.

**Final Determination:** Finding # 6 of the program review report cited St. Francis for failing to include required statements of policy and procedure in its 2013-2014 ASR.<sup>1</sup> Specifically, the Department determined that St. Francis did not disclose its emergency notification procedures. Reviewers noted that the 2013 ASR did not contain a description of the process the institution will use to confirm that there is a significant emergency, determine who to notify, determine the content of the notification, and initiate the emergency notification system. Additionally, the ASR did not contain the institution's procedures to test the emergency response and evacuation procedures. The University also failed to disclose crime statistics in accordance with the Clery Act's geographical definitions. As a result of these violations, the University was required to review and revise its internal policies and procedures related to all aspects of Clery Act compliance and to develop and implement new policies and procedures as needed to ensure that the 2014 ASR and all future reports are accurate, complete, and are disseminated properly. St. Francis was also required to review all real estate holdings and reassess its application of the Clery Act's geographical definitions to ensure that all buildings and properties that are owned or controlled by the institution or recognized student organizations are classified properly. In its response, the University substantively concurred with the finding, described its remedial efforts, and submitted documents in support of claims.

The Department carefully examined St. Francis' narrative response and supporting documentation. Based on that review and the University's admission of noncompliance, each of the exceptions identified in the initial finding are sustained. The Department also determined that St. Francis continued to violate the Clery Act even after these violations were brought to management's attention. This conclusion is supported by the review team's detailed examination of the 2013-2014 ASR. While the review team's analysis of the 2013-2014 report indicated some improvement, significant deficiencies persisted. Specifically, St. Francis failed to include the following required disclosures in the 2013-2014 ASR:

- A statement of current policy concerning security of and access to campus facilities, including campus residences, and security consideration used in the maintenance of campus facilities;
- A statement of policy regarding the sanctions the institution may impose following a final determination of an institutional disciplinary proceeding regarding rape, acquaintance rape, or other forcible or non-forcible sex offenses;
- A statement reflecting future improvements, if any, concerning fire safety, must be included in the AFSR;
- St. Francis also failed submit accurate crime statistics to the Secretary for inclusion in the Department's Campus Safety and Security Data Analysis Cutting Tool. The crime statistics reported to the Department must match those that were included in the University's ASR and Annual Fire Safety Report;
- St. Francis failed to provide a direct link to the exact electronic location of the ASR on its official website; and, in the ASR link directly to the stated information; and,

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<sup>1</sup> To clarify, the Department notes that the report referred to in the finding is the 2013 ASR. The University was required to issue this report no later than October 1, 2013.

- St. Francis published its annual fire safety report concurrently with its annual security report but did not clearly indicate that the publication included both reports.

Notwithstanding these additional exceptions, the Department's examination of St. Francis' 2014 ASR and its new and revised internal policies and procedures indicated that the University's remedial action plan met minimum requirements. For these reasons, the Department has accepted St. Francis' response and considers this finding to be closed for the purposes of this program review; however, the officers and directors of St. Francis are put on notice that the institution must take all additional actions that may be necessary to address the deficiencies identified by the Department as well as any other deficiencies or weaknesses that were detected during the preparation of the response and/or as may otherwise be needed to ensure that these violations do not recur.

Although the finding is now closed, St. Francis is reminded that the exception identified above constitutes serious and persistent violations of the Clery Act that by its nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. St. Francis asserted that it has taken adequate remedial actions and by doing so, has taken steps to comply with the Clery Act as required by its Program Participation Agreement (PPA); however, as identified above, additional work was required to demonstrate even minimal compliance. The production and distribution of an accurate and complete ASR is among the most basic requirements of the Clery Act and are fundamental to its campus safety goals. For these reasons, St. Francis is advised that its remedial action efforts cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective actions as a result.

Because the ASR and AFSR are dynamic documents, the Department strongly recommends that St. Francis re-examine its campus security and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal regulations. To that end, St. Francis officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2011) as a reference guide for Clery Act compliance. The Handbook is online at:

**[www2.ed.gov/admins/lead/safety/handbook.pdf](http://www2.ed.gov/admins/lead/safety/handbook.pdf)**. The Department also provides a number of other Clery Act training resources. St. Francis can access these materials at:

**[www2.ed.gov/admins/lead/safety/campus.html](http://www2.ed.gov/admins/lead/safety/campus.html)**. The regulations governing the Clery Act can be found at 34 C.F.R. §§668.14, 668.41, 668.46, and 668.49.

Finally, the Department calls the University's attention to Section 304 of the Violence Against Women Reauthorization Act of 2013 (VAWA) (Pub. Law 113-4) amended the Clery Act to require institutions to compile statistics for incidents of sexual assault, dating violence, domestic violence, and stalking and to include new sexual assault prevention and response policies, procedures, and programmatic information in the ASR, beginning with the 2014 report. However, until the Department's final regulations were published and effective, an institution was required to make a good-faith effort to comply with the statutory provisions as written. The Department notes that St. Francis's 2013-2014 ASR contains some of this new content.

On October 20, 2014, the Department's final regulations were published in the Federal Register (Vol. 79, No. 202). The changes to the regulations at 34 C.F.R. §668.46, which governs the Clery Act requirements, go into effect on July 1, 2015. The Department amended 34 C.F.R. §668.46 to implement the VAWA statutory changes and updated this section by incorporating provisions added to the Clery Act by the Higher Education Opportunity Act. For information about the modifications to 34 C.F.R. §668.46, please see the following electronic announcement: <http://ifap.ed.gov/eannouncements/102014ViolenceAgainstWomenAct.html>. The announcement includes a link to the Federal Register (Vol. 79, No. 202).

#### **Finding # 7: Drug and Alcohol Abuse Prevention Program Requirements Not Met**

**Citation Summary:** The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations requires each participating institutions of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse education and prevention program. The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

On an annual basis, the IHE must distribute its drug and alcohol abuse prevention program (DAAPP), in writing, to each student, faculty, and staff member. The distribution plan must make provisions for providing the material to students who enroll at a date after the initial distribution, and for employees who are hired at different times throughout the year. The information must include:

- A written statement about its standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;
- A written description of legal sanctions imposed under Federal, state and local laws for unlawful possession or distribution of illicit drugs and alcohol;
- A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
- A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees; and,
- A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institution's codes of conduct and a description of such sanctions, up to and including expulsion or termination of employment and referral for prosecution.

In addition, each IHE must conduct a biennial review in order to measure the effectiveness of its drug prevention program, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The IHE must prepare a report of findings and maintain its biennial review report and supporting materials and make them available to the Department and interested parties upon request. 34 C.F.R. §§86.3 and 86.100.

**Noncompliance Summary:** St. Francis failed to include in its drug and alcohol abuse prevention program (DAAPP) disclosure a written description of legal sanctions imposed under



Federal, state, and local laws for unlawful possession or distribution of illicit drugs and alcohol for both the students and employees.

**Required Action Summary:** St. Francis was required to provide a copy of its updated, comprehensive DAAPP that includes all of the required elements found in the DFSCA and the Department's Part 86 regulations. The University was also required to provide a statement of certification affirming that it understands all of its DFSCA obligations and that it has taken all necessary corrective actions to ensure that a violation does not recur.

**Institutional Response Summary:** In its official response, St. Francis concurred with the finding and stated that remedial action was taken as directed in the program review report. In support of its remedial action claims, University officials submitted a copy of its updated DAAPP and the requested certification attesting that management understands its obligation to comply with the law.

**Final Determination:** Finding # 7 of the program review report cited St. Francis for its failure to address all required topics in its DAAPP. Specifically, the University's program did not include required information about the legal sanctions that may be imposed under Federal, state, and local laws for unlawful possession or distribution of illicit drugs and alcohol abuse. As a result of this violation, St. Francis was required to review and enhance its DAAPP and ensure that all required information included in its published materials including its annual DAAPP disclosure. In its response, St. Francis concurred with the finding, stated that remedial action was taken, and submitted documents in support of its claims.

The Department carefully examined St. Francis's narrative response and supporting documentation. Based on that review and St. Francis' admission of noncompliance, the violation identified in the finding is sustained. The review team's examination also showed that the identified violations were, for the most part, satisfactorily addressed by the University's enhanced DAAPP program materials. The Department also has determined that St. Francis' remedial action plan meets minimum requirements. For these reasons, the Department has accepted the response and considers this finding to be closed for purposes of this program review. Nevertheless, the officials and directors of St. Francis are put on notice that they must take all other action that may be necessary to address the deficiencies identified by the Department as well as any other deficiencies or weaknesses that were detected during the preparation of the university's response and/or as may otherwise be needed to ensure that these violations do not recur.

Although this finding is now closed, St. Francis is reminded that the exception identified above constitutes a serious violation of the *DFSCA* that by its nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. St. Francis asserted that it has taken adequate remedial action and that by doing so, is now in compliance with the *DFSCA* as required by its PPA. Nevertheless, St. Francis officials must understand that compliance with the *DFSCA* is essential to maintaining a safe and healthy learning environment. This DAAPP violation documented above deprived students and employees of important information regarding the health consequences of alcohol abuse and illicit drug use. For these reasons, St. Francis is



advised that its remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or additional remedial measures as a result.

In light of the serious consequences associated with compliance failures of this type, the Department strongly recommends that St. Francis re-examine its drug and alcohol policies, procedures, and programs on at least an annual basis and revise them as needed to ensure that they continue to reflect current institutional policy and are in full compliance with the *DFSCA*. Please be advised that the Department may request information on a periodic basis to test the effectiveness of the University's new policies and procedures.

#### **D. Summary of Liabilities**

The total amount calculated as a liability for Finding #1 in this program review determination is as follows:

<b>Liabilities</b>	<b>DL/FFEL</b>	<b>Estimated Loss Direct Loan</b>	<b>Estimated Loss FFEL</b>	
<b>Finding # 1</b>	\$782,118.00	\$10,114.44	\$585.50	
<b>Payable to:</b>				<b>Total:</b>
Department		\$10,114.44	\$585.50	\$10,699.94

#### **E. Payment Instructions**

St. Francis owes to the Department \$10,699.94. Payment must be made by forwarding a check made payable to the "U.S. Department of Education" to the following address within 45 days of the date of this letter:

U.S. Department of Education  
P.O. Box 979026  
St. Louis, MO 63197-9000

*Remit checks only. Do not send correspondence to this address.*

Payment must be made via check and sent to the above Post Office Box. Payment and/or adjustments made via G5 will not be accepted as payment of this liability. The following identification data must be provided with the payment:

Amount: \$10,699.94  
DUNS: 041255993  
TIN: 251024358  
PRCN: 20143038623

If ED does not receive payment within the 45-day period, interest will accrue in monthly increments until the date of receipt of St. Francis' payment. If you have any questions regarding

interest accruals or payment credits, you may telephone (202) 377-3843 and ask to speak to your institution's account representative.

If within forty-five days of the date of this letter, St. Francis has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the U.S. Department of Education, the Department intends to collect the amount due and payable by administrative offset against payments due your organization from the Federal Government. St. Francis may object to the collection by offset only by challenging the existence or amount of the debt. St. Francis makes this challenge by timely appealing this determination under the procedures described in the "Appeal Procedures" section of the cover letter. The Department will use those procedures to consider any objection to offset.

No separate appeal opportunity will be provided. If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary as provided in 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

If full payment cannot be made within 45 days of the date of this letter, contact the Debt Management Group at (202) 245-8080 to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education  
Office of the Chief Financial Officer  
Accounts Receivable Group  
550 12<sup>th</sup> Street, SW, Room 6114  
Washington, DC 20202-4461

## **F. Appendices**

Appendix A, Student Level Detail, contains personally identifiable information and will be emailed to St. Francis as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email. Appendices B, C and D are attached to this report.

## **Appendix B: Program Review Report**

Prepared for

**Saint Francis University**

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OPE ID: 00336600

PRCN: 201430328623

Prepared by

**U.S. Department of Education**

Federal Student Aid

School Participation Division - Philadelphia

## Program Review Report August 22, 2014

School Participation Division - Philadelphia  
The Wanamaker Building, 100 Penn Square East, Suite 511  
Philadelphia, PA 19107  
[StudentAid.gov](http://StudentAid.gov)

## Table of Contents

A. Institutional Information .....	1
B. Scope of Review.....	2
C. Findings.....	2
Finding # 1: Improper Disbursement of Title IV Funds to Students at Additional Locations Not Reported to the Department .....	2
Finding # 2: Inaccurate Enrollment Reporting to NSLDS .....	4
Finding # 3: Inaccurate Reporting to Common Origination and Disbursement (COD) System.....	5
Finding # 4: Failure to Identify Federal Funds to Bank .....	7
Finding # 5: Failure to Conduct and Document Entrance Loan Counseling.....	7
Finding # 6: Crime Awareness Requirements Not Met – Required Policy Disclosures and Statistics Omitted from Annual Security Report (ASR).....	8
Finding # 7: Drug and Alcohol Abuse Prevention Program Requirements Not Met .....	10
D. Appendices.....	12
Appendix A: Student Sample.....	13



**A. Institutional Information**

Saint Francis University  
110 Franciscan Way  
Loretto, PA 15940-0600

**Type:** Private

**Highest Level of Offering:** Master's Degree or Doctor's Degree

**Accrediting Agency:** Middle States Commission on Higher Education (MSCHE)

2012-2013 Student Enrollment and % Receiving Title IV:

- Undergraduates: 1789 total enrollment with 65.287% receiving Title IV aid
- Graduates: 2483 total enrollment with 10.712% receiving Title IV aid

**Title IV Participation:** (*as of June 2014*)

<b>Title IV Program</b>	<b>2012-2013</b>
Federal Pell Grant	\$1,923,566.00
Federal Direct Loans	\$25,138,193.00
Federal Perkins Loans	\$179,800.00
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$174,739.00
Federal Work Study	\$315,513.00

**Default Rates:**

	<b>FFEL/DL Program</b>	<b>Perkins Loan Program</b>
<b>2011</b>	3.2%	22.7%
<b>2010</b>	2.9%	24.6%
<b>2009</b>	3.9%	17.1%

## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at Saint Francis University (St. Francis) from June 2, 2014 to June 6, 2014. The review was conducted by Ms. Heidi Kovalick and Ms. Diane Sarsfield.

The focus of the review was to determine St. Francis' compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of St. Francis' policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2012-2013 and 2013-2014 award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning St. Francis' specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve St. Francis' of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination (FPRD) letter.

## **C. Findings**

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by St. Francis to bring operations of the financial aid programs into compliance with the statutes and regulations.

### **Finding # 1: Improper Disbursement of Title IV Funds to Students at Additional Locations Not Reported to the Department**

**Citation:** An institution that wishes to establish its eligibility to participate in any Title IV, HEA program must submit an application to the Secretary, as well as documentation of state licensure and accreditation, to enable the Secretary to determine if the institution satisfies all certification requirements. 34 C.F.R. § 600.20(a). Once the Secretary receives and approves such an application, the Secretary notifies the institution of its eligibility and of the locations and educational programs that qualify as eligible. 34 C.F.R. § 600.20(c).

This eligibility does not extend to any location that an institution establishes after it receives its eligibility designation if the institution plans to offer at least 50 percent of an educational program at that location. 34 C.F.R. § 600.10(b)(3). In order for this location to become eligible, the institution must obtain state licensure and accreditation and report the establishment of the location to the Secretary within 10 days. 34 C.F.R. § 600.21(a)(3). An institution's failure to inform the Secretary of a change described in 34 C.F.R. § 600.21(a) within the 10 days may result in adverse action against the institution. 34 C.F.R. § 600.21(e).

The institution may not disburse Title IV funds to students at a location before it notifies the Secretary of the existence of the location. Once the institution reports the location to the Secretary, it may disburse Title IV funds to otherwise eligible students, provided the location is licensed and accredited. 34 C.F.R. § 600.21(d).

**Noncompliance:** St. Francis improperly disbursed Title IV funds to graduate students attending classes at nine additional locations that were not reported to the Department. St. Francis had approval from Middle States Commission on Higher Education (MSCHE) to offer at least 50% of an educational program at each of these locations.

During the on-site visit, school officials explained that students enrolled in the Masters of Education, Masters of Business Administration, and Masters of Human Resource Management could complete their entire program of study at any of these off-campus locations. As these were locations at which Saint Francis intended to offer 50% of an educational program, Saint Francis was required to report the establishment of these additional locations to the Department before disbursing Title IV funds to students attending classes at these locations.

The chart below lists the additional locations approved by MSCHE and the current operating status of each location.

<b>Additional Locations Approved by MSCHE</b>	<b>Date of Approval by MSCHE</b>	<b>Operating Status</b>
Bedford County Technical Center	September 1, 2010	Inactive
Bellwood Antis High School	March 5, 2009	Active
Bishop McCort Catholic High School	August 27, 2012	Active
Joseph and Elizabeth Shaw Public Library	September 1, 2010	Active
Juniata Valley High School	August 27, 2012	Active
Northern Cambria High School	August 27, 2012	Active
Somerset Area School District	November 1, 2011	Active
South Hills School of Business & Technology	March 5, 2009	Active
Tussey Mountain School District	September 1, 2010	Active

Subsequent to the program review on-site visit, St. Francis submitted an application through the Department's E-App<sup>1</sup> system on June 17, 2014 to report the existence of the eight active additional locations to the Department.

An institution's failure to report its additional locations timely may result in the institution disbursing funds to students at locations that are not recognized by Department and may create a financial burden for the Department.

**Required Action:** St. Francis must continue to work with the Department to update its application for the eight additional locations.

In addition, St. Francis must complete a file review to identify all Title IV funds disbursed to students enrolled in the graduate programs and who attended classes at the nine instructional sites prior to St. Francis' notification to the Department on June 17, 2014. St. Francis must identify all Title IV funds disbursed to students from the date each location was approved by MSCHE through June 17, 2014. St. Francis must submit the results of that file review in a spreadsheet, in the format indicated below. The institution must provide the spreadsheet in both hardcopy and electronic formats. The spreadsheet should include the following information:

1. Student Name;
2. Social Security Number;
3. Program of Study;
4. Location Attended;
5. Title IV Loan funds disbursed. Listed by Direct Loan Program; and
6. Award Year.

Finally, St. Francis must review and update its policies and procedures to ensure that all future changes to its application are reported to the Department within the regulatory timeframe. St. Francis must submit a copy of its updated policies and procedures with its response to this program review report.

## **Finding # 2: Inaccurate Enrollment Reporting to NSLDS**

**Citation:** A school shall upon receipt of a Student Status Confirmation report from the Secretary or any guaranty agency, complete and return the report within 30 days of receipt to the Secretary or the guaranty agency as appropriate. A school shall, unless it expects to submit its next student status confirmation report to the Secretary or the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct Plus Loan has been made to or on behalf of a student who is enrolled at that school but ceased to be enrolled on at least a half-time basis; has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for

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<sup>1</sup> The E-App is the Department's on-line system through which schools apply for initial certification to participate in the Title IV programs, apply for recertification, and notify the Department of changes, such as those required in 34 C.F.R. § 600.21.

which the loan was intended; or has changed his or her permanent address. 34 C.F.R. § 685.309(b)

**Noncompliance:** St. Francis reported an inaccurate enrollment status in NSLDS for student #14. The student who graduated from the institution on December 12, 2012 was reported as withdrawn in NSLDS. School officials stated that Saint Francis' institutional policy was to report students who graduated as withdrawn in NSLDS.

An institution's failure to report graduated students accurately may result in students receiving further aid at other institutions for which they are no longer eligible and increase costs to the Department.

**Required Action:** St. Francis must update the enrollment status reported to NSLDS for all students who graduated from the institution during the 2012-2013 and 2013-2014 award years to ensure that the Department's system contains accurate information for these students. The institution must compile the results of its file review in a spreadsheet. The spreadsheet must be submitted in both hardcopy and electronic format, and should include the following data elements:

1. Student Name;
2. Social Security Number;
3. The information previously reported for the student in NSLDS; and
4. The revised information reported for each student.

In addition, St. Francis must review and update its NSLDS reporting policies and procedures to ensure that accurate enrollment information is reported to NSLDS. St. Francis must submit a copy of its updated policies and procedures with its response to this program review report.

### **Finding # 3: Inaccurate Reporting to Common Origination and Disbursement (COD) System**

**Citation:** An institution makes a disbursement of Title IV, HEA program funds on the date that the institution credits a student's account at the institution or pays a student or parent directly with: funds received from the Secretary; funds received from a lender under the FFEL Programs; or institutional funds used in advance of receiving Title IV, HEA program funds. 34 C.F.R. § 668.164(a)(1).

An institution shall report to the Secretary any change in the amount of a Federal Pell Grant for which a student qualifies including any related payment data changes by submitting to the Secretary the student's payment data that discloses the basis and result of the change in award for each student. The institution shall submit the student's payment data reporting any change to the Secretary by the reporting deadlines published by the Secretary in the Federal Register. 34 C.F.R. § 690.83(b)(1).



An institution must submit the initial disbursement record for a Direct Loan to the Secretary no later than 30 days following the date of the initial disbursement. The institution must submit subsequent disbursement records, including adjustment and cancellation records, to the Secretary no later than 30 days following the date the disbursement, adjustment or cancellation is made. 34 C.F.R. § 685.301(c). An institution reports this information to the Secretary through COD.

The Federal Register published February 28, 2013 established reporting deadlines to the Common Origination and Disbursement System (COD) for Federal Pell Grant and Direct Loan disbursement. Institutions are required to report disbursement information and adjustments to previously reported disbursement data to COD no later than (1) 30 calendar days for disbursements that occurred prior to April 1, 2013, and (2) 15 calendar days for disbursements that occur on or after April 1, 2013. (Federal Register Volume 78, Number 40).

The institution must report the date the funds were made available to the student. The disbursement date must be reported as the date the funds were disbursed to the borrower by posting funds to the student's account at the school or paying the borrower directly. (*November 2010 Electronic Announcement: Direct Loan Processing Information – Making Disbursement Adjustments and Reducing Direct Loan Awards to Zero.*)

To emphasize the critical nature of accurate reporting, the Department issued another electronic announcement, *January 29, 2014 Electronic Announcement: Direct Loan Processing Information - Accurately Reporting Direct Loan Disbursement Dates*. This letter re-iterated that schools must report the *actual* disbursement date for a Direct Loan.

**Noncompliance:** St. Francis reported inaccurate disbursement dates in COD for Federal Pell Grants and Direct Loan funds disbursed to 16 of the 30 students in the sample. The disbursement dates reported in COD differed from the dates the Federal funds were actually posted to the students' account. The difference in the disbursement dates range from 1 to 119 days.

An institution's failure to report accurate disbursement dates to COD may result in increased interest costs for the Department and the individual students. Several terms and conditions of Direct Loans are tied to the actual disbursement date reported to COD, including interest accrual and the 120-Day Rule regarding the return of funds, as well as the origination fee and interest rate that apply to the loan.

**Required Action:** St. Francis must update COD to record the correct disbursement dates for students # 2, 4, 5, 7, 8, 9, 10, 12, 13, 17, 19, 20, 21, 22, 25, and 26. The institution is encouraged to call COD Customer Service at 1-800-848-0978 (Direct Loan) or 1-800-474-7268 (Grants) for any needed assistance.

In addition, St. Francis must conduct a file review of all 2012-2013 and 2013-2014 Title IV recipients to determine whether accurate disbursement dates have been reported to COD. St. Francis must update any inaccurate disbursement dates that it identifies in COD. St. Francis must provide the results of its file review in a spreadsheet and include the following data:

1. Student's Name;
2. Social Security Number;
3. Disbursement Type;
4. Disbursement Amount;
5. Disbursement Date originally reported to COD; and
6. Updated Disbursement Date.

St. Francis must provide the spreadsheet in both hardcopy and electronic formats. Additionally, St. Francis must review and update its policies and procedures in order to ensure that accurate information is reported to COD. St. Francis must submit a copy of its updated policies and procedures with its response to this program review report.

#### **Finding # 4: Failure to Identify Federal Funds to Bank**

**Citation:** For each bank or investment account that includes Title IV, HEA program funds, an institution must clearly identify that Title IV, HEA program funds are maintained in that account by either including in the name of each account the phrase "Federal Funds." Alternatively, the institution may notify the bank or investment company of the accounts that contain Title IV, HEA program funds and retaining a record of that notice; and except for a public institution, file with the appropriate State or municipal government entity a UCC-1 statement disclosing that the account contains Federal funds and maintaining a copy of that statement. 34 C.F.R. § 668.163(a)(2).

**Noncompliance:** St. Francis failed to notify its bank that the designated account for Title IV contained federal funds.

An institution's failure to clearly identify Title IV funds may increase the risk for the misuse of federal funds.

**Required Action:** St. Francis must notify its bank that the bank account used to hold Title IV funds contains federal funds. St. Francis may update the name of the bank account so that the words "Federal Funds" appears in the name. Alternatively, St. Francis may notify the bank in writing that the account contains federal Title IV funds and file a UCC-1 with the appropriate State or municipal government entity.

St. Francis must provide either a copy of a bank statement reflecting the updated name or the notification to the bank and the UCC-1 filing with its response to this program review report.

#### **Finding # 5: Failure to Conduct and Document Entrance Loan Counseling**

**Citation:** A school must ensure that entrance counseling is conducted with each Direct Subsidized or Direct Unsubsidized Loan student borrower prior to making the first disbursement of the loan proceeds. 34 C.F.R. § 685.304(a)(1). The school must maintain documentation substantiating the school's compliance with this section for each student borrower. 34 C.F.R. § 685.304(a)(9).

**Noncompliance:** St. Francis failed to conduct and document that entrance loan counseling was performed for students 7, 12, and 28.

An institution's failure to provide entrance loan counseling to students deprives the students of essential information regarding their rights and responsibilities as a student loan borrower. The lack of this information may result in increased student loan defaults and increased cost for the Department.

**Required Action:** St. Francis must provide entrance loan counseling to the 3 students identified in this finding. In addition, St. Francis must conduct a file review of all students who enrolled at the institution during the 2012-2013 and 2013-2014 award years to verify that entrance loan counseling was performed for each student. St. Francis must send appropriate entrance counseling materials to all students for whom the institution is unable to document previous counseling. St. Francis must send a list of these students to the Department along with documentation that entrance loan counseling materials were sent to each student.

St. Francis must also review and update its entrance loan counseling policies and procedures to ensure that all students receive entrance counseling. St. Francis must include a copy of its updated policies and procedures with its response to this program review report.

**Finding # 6: Crime Awareness Requirements Not Met – Required Policy Disclosures and Statistics Omitted from Annual Security Report (ASR)**

**Citation:** The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (*Clery Act*) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees through appropriate publications and mailing, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in 34 C.F.R. § 668.46(b).

The ASR must be prepared and actively distributed as a single document. Acceptable means of distribution include regular U.S. Mail, campus mail, hand delivery, or by posting the ASR on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and a link to its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also inform interested parties about how to obtain a paper copy of the ASR. 34 C.F.R. § 668.41(e)(4)

An institution's ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assault,

burglary, motor vehicle theft, and arson. Statistics for certain hate crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities (as a subset of category # 1); 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1). When applicable, an institution must also compile, and publish separate crime statistic disclosures for each of its campuses. 34 C.F.R. § 668.46(d).

The ASR also must include several mandated policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of crime prevention programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the ASR itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. As noted above, the ASR must be published as a single comprehensive document. With the exception of certain drug and alcohol program information, cross referencing to other publications is not sufficient to meet the publication and distribution requirements. § 485(f) of the HEA; 34 C.F.R. § 668.46(b).

Finally, each institution must also submit its crime statistics to the Department for inclusion in the Office of Postsecondary Education's "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. § 668.41(e)(5).

**Noncompliance:** St. Francis failed to include required procedures and policy statements in their published ASR. Specifically, the ASR does not contain a description of the process the institution will use to confirm that there is a significant emergency, determine who to notify, determine the content of the notification, and initiate the emergency notification system. Additionally, the ASR does not contain the institution's procedures to test the emergency response and evacuation procedures.

The University failed to report to the Department and failed to include statistics in the ASR, crimes occurring at the additional locations where St. Francis students are enrolled.

Failure to publish an accurate and complete ASR and actively distribute it in accordance with Federal regulations deprives the campus community of important security information that can empower its members to be informed and play an active role in their own safety and security.

**Required Action:** As a result of this violation, St. Francis must develop and implement policies and procedures that will govern the preparation, publication, and distribution of an annual ASR and ensure that all facets of the process are carried out in a manner that meets Federal regulations. The procedures must also specifically articulate how prospective students and



employees will be notified of the report's availability. Using the policies as a guide, The University must prepare and publish an accurate and complete ASR that includes all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. § 668.46(b). In addition, St. Francis must review its Clery geography and provide must comment on how the statistics are accounted for all Clery geography and campus locations. A copy of the new and revised policies and procedures and its draft 2014 ASR must accompany its response to this program review report. Once the ASR is evaluated by the review team for accuracy and completeness, the institution will be required to actively distribute it to all current students and employees in accordance with 34 C.F.R. § 668.41(e).

Finally, St. Francis will be required to provide documentation to the Department evidencing its annual ASR distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the *Clery Act*. This certification must also affirm that the University understands all of its *Clery Act* obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the *Clery Act* that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. St. Francis will be given an opportunity to develop and distribute an accurate and complete ASR, and in so doing, bring its overall campus security program into compliance with the *Clery Act* as required by its Program Participation Agreement (PPA). However, the University is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

St. Francis officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (2011) during the preparation of its response. The handbook is available online at: <http://www2.ed.gov/admins/lead/safety/handbook.pdf>. The regulations governing the *Clery Act* can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Based on an evaluation of all available information including St. Francis' response, the Department will determine if additional actions will be required and will advise the institution accordingly in its FPRD.

#### **Finding # 7: Drug and Alcohol Abuse Prevention Program Requirements Not Met**

**Citation:** The Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department's General Administrative Regulations requires each participating institutions of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse education and prevention program. The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

On an annual basis, the IHE must distribute its drug and alcohol abuse prevention program (DAAPP), in writing, to each student, faculty, and staff member. The distribution plan must



make provisions for providing the material to students who enroll at a date after the initial distribution, and for employees who are hired at different times throughout the year. The information must include:

- A written statement about its standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;
- A written description of legal sanctions imposed under Federal, state and local laws for unlawful possession or distribution of illicit drugs and alcohol;
- A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;
- A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to students and employees; and,
- A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institution's codes of conduct and a description of such sanctions, up to and including expulsion or termination of employment and referral for prosecution.

In addition, each IHE must conduct a biennial review in order to measure the effectiveness of its drug prevention program, and to ensure consistent treatment in its enforcement of its disciplinary sanctions. The IHE must prepare a report of findings and maintain its biennial review report and supporting materials and make them available to the Department and interested parties upon request. 34 C.F.R. §§ 86.3 and 86.100.

**Noncompliance:** St. Francis failed to deliver a materially-complete drug and alcohol abuse prevention program (DAAPP) disclosure to all employees and students who are enrolled for any academic credit.

Specifically, the DAAPP did not contain a written description of legal sanctions imposed under Federal, state, and local laws for unlawful possession or distribution of illicit drugs and alcohol for both the students and employees.

Failure to comply with the *DFSCA*'s DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Such failures may contribute to increased drug and alcohol abuse as well as an increase in drug and alcohol-related violent crime.

**Required Action:** St. Francis is required to take all necessary corrective actions to resolve this violation. At a minimum, the University must perform the following:

- Develop and implement a comprehensive DAAPP that includes all of the required elements found in the *DFSCA* and the Department's Part 86 regulations; and,
- Provide a draft copy of its DAAPP with its response to this program review report. Once the materials are approved by the Department, St. Francis must distribute them in accordance with the Part 86 regulations and provide documentation evidencing the distribution as well as a statement of certification attesting to the fact that the materials

were distributed in accordance with the *DFSCA*. This certification must also affirm that the University understands all of its *DFSCA* obligations and that it has taken all necessary corrective actions to ensure that a violation does not recur.

The exception identified in this finding constitutes a serious violation of the *DFSCA* that by its nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. St. Francis will be given an opportunity to develop and distribute an accurate and complete DAAPP disclosure and to bring its drug and alcohol programs into compliance with the *DFSCA* as required by its PPA. However, the University is advised that these remedial measures cannot and do not diminish the seriousness of the violation nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

Based on an evaluation of all available information including St. Francis' response, the Department will determine if additional actions will be required and will advise the institution accordingly in its FPRD.

#### **D. Appendices**

Appendix A (Student Sample) contains personally identifiable information and will be emailed to St. Francis as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.